CHINA PROPERTY WEEKLY WRAP

Week 40 Wrap – primary volume inspiring entering the "Silver" October

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Key highlights for the week:

National Day Holiday volume encouraging: according to CREISs, during Oct 1 to Oct 7, **1)** average daily online contract signing (网签) for primary homes in 25 monitored key cities recorded +34% yoy to a level similar to that of 2024; amongst them, Beijing, Hangzhou and Ningbo relatively outperformed on a yoy basis; **2)** secondary online contract signing in 11 monitored cities expanded 43% yoy (though below FY24 level), led by Qingdao, Wenzhou and Foshan; **3)** at the project level, upgrade-oriented projects in core areas, projects with strong product positioning and those offering sizable holiday discounts received meaningful increase in visitation traffic.

Policy updates: **1)** following Beijing and Shanghai, Guangzhou announced on Sep 30 implementing rules for the Aug 28 reform, covering: **a)** Land payments schedule: for residential land put up for sale after Aug 28, at least 50% is payable within 30 days of signing, with the remaining balance due within 1 year (extendable by another year with approvals) with interest-free installments, a same practice as Shanghai; **b)** Buyers' reservation deposits: completed-home-sale projects may collect deposits after obtaining construction permits capped at 5% of the home price (higher than 1%/3% in BJ/SH); **c)** largely similar classification of old and new projects which determines the eligibility for the prior presales model and mortgage proceeds withdrawal policies as compared to BJ and SH, etc.; **2)** Dongguan announced pro-property policies on Sep 29, including a home purchase subsidy of 2% of the contract price (capped at Rmb30k), increased support for Housing Provident Fund withdrawal (esp. for the uses of home furnishing and property management fee collection), optimized classification of "first-time" home-buyers applying for commercial mortgages, etc.

Market performance during Week 40: Primary transaction volumes rebounded 16% wow, accompanied by a 3.9% wow increase in new home search activity. Secondary transaction volume contracted 27% wow, with secondary subscription sales (which lead registration-based sales by 1-2 weeks) that we observed from Beike dropping by 5% wow. On the brighter side we note a 14% wow recovery in secondary visitation, with secondary new listing supply among monitored cities slightly edged down by 1%.

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Key data points:

- **New homes** sales volume was +16% wow and +23% yoy, while new home search activities climbed 3.9% wow.
- **Secondary** transactions were -27% wow and +91% yoy from last year's low base.
- **September**: Primary GFA sold on median was +7% mom and was -10% yoy; secondary GFA sold on median was -11% mom and -8% yoy.
- **YTD: Primary GFA** sold on average was -11% yoy and was -14%/-33% vs. the 2024/2023 level; **secondary GFA** sold on average was +2% yoy and was +14%/+14% vs. the 2024/2023 level.
- **Inventory** balance was +0.2% wow, with inventory months at 27.0 (vs. average 27.1/27.2 in July/Aug-26).
- **Valuation:** Over Sep 28-Oct 8, our covered **stronger SOE developers** saw share prices +5% wow on average, with CMSK (001979.SZ, Neutral) and COLI (0688.HK, Buy) outperforming at +9%/+5% wow; meanwhile, **other developers** saw share prices on average +2% wow. Our offshore/onshore coverage now trades at an average 38%/7% discount to end-2026E NAV and at 0.4X/0.6X 2026E P/Bs.

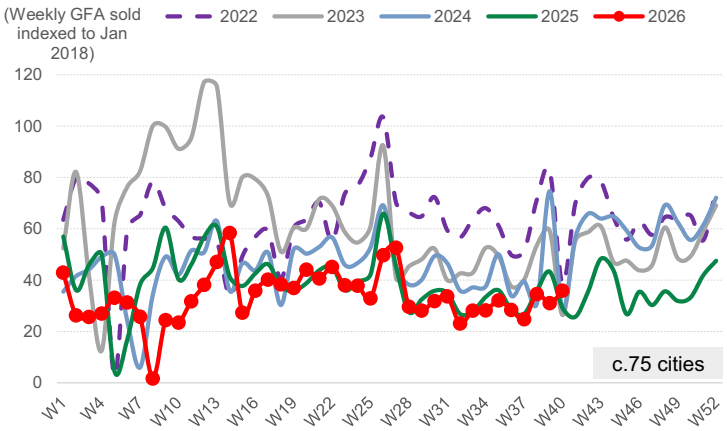
Implications:

- **Completions:** GSPC tracker indicates **high-twenties % yoy decline** in Sep (vs. -28%/high-teens % yoy decline in Aug by NBS/GSe)
- **New starts:** New starts to record **a high-twenties % yoy decline** in Sep (vs. -31%/ high-twenties % yoy decline in Aug by NBS/GSe), based on the land sales trends in 300 cities and nationwide cement shipment ratio.
- **GTV for BEKE** (new and existing) is likely +6% yoy (-8%/+11% for new/existing) for 3Q26E, vs. internet team's estimate of +1% yoy (flat/+1%).



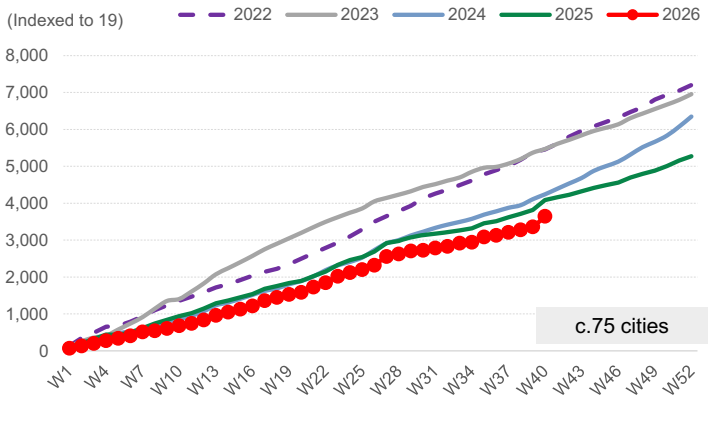
Primary market Week 40: GFA +16% wow and was +23% yoy, sending YTD to -11% yoy

Exhibit 1: Primary GFA sold last week was +16% wow and +23% yoy in c.75 cities



Source: CREIS, Goldman Sachs Global Investment Research

Exhibit 2: Primary GFA sold YTD on average was -11% yoy in c.75 cities, and -14%/-33% vs. 2024/2023 level

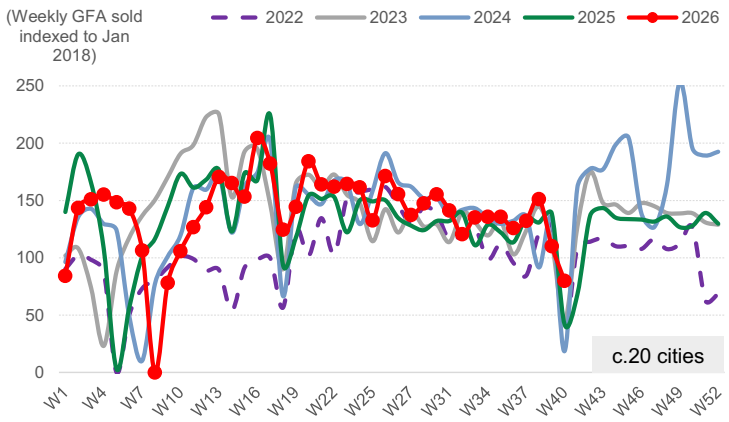


Source: CREIS, Goldman Sachs Global Investment Research

Secondary market: Week 40/YTD volumes were +91%/+2% yoy

Exhibit 3: Secondary GFA sold last week was -27% wow and +91% yoy in c.20 cities

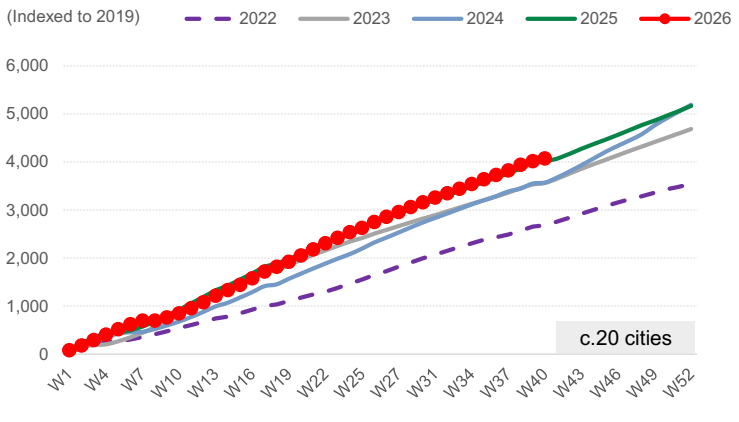
Average weekly volume of secondary property sales



Source: Wind, Goldman Sachs Global Investment Research

Exhibit 4: Secondary GFA sold YTD was +2% yoy in c.20 cities, while +14%/+14% vs. 2024/2023

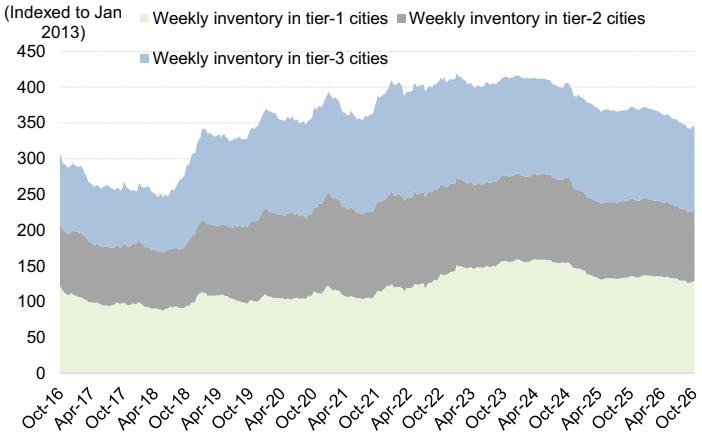
2026 secondary volume sold vs. 2022-25



Source: Wind, Goldman Sachs Global Investment Research

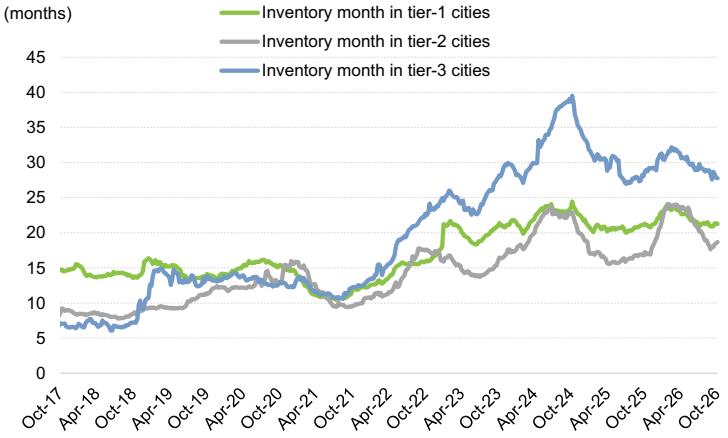
Inventory Week 40: Inventory +0.2% wow and -7.0% from end-25 level, with inventory months at 27.0 (vs. average 27.2 in Aug-26)

Exhibit 5: Inventory balance was +0.2% wow, -7.0% from end-25 levels
c.20 cities' total inventory breakdown by city tier



Source: CREIS, Goldman Sachs Global Investment Research

Exhibit 6: Inventory month was +0.8% wow, representing -3.3% from end-25 levels
c.20 cities' inventory months (12mth rolling) breakdown by city tier

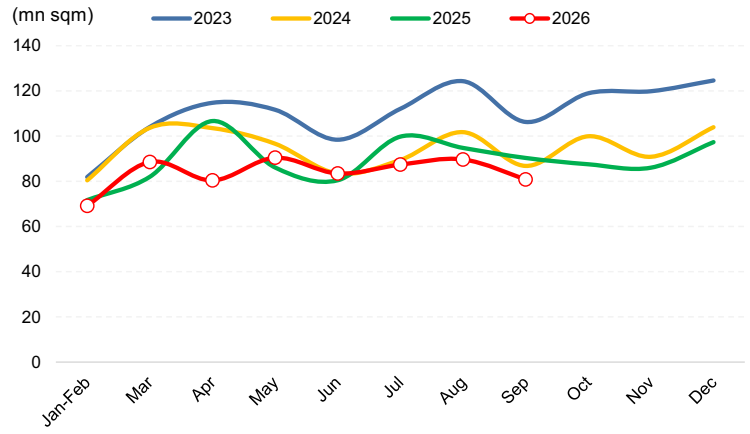


Source: CREIS, Goldman Sachs Global Investment Research

GSPC implies high-twenties % yoy decline/-15% yoy in completions for Sep-26/FY26E per GSe

GS Property Completion (GSPC) tracker indicates **a high-twenties % yoy decline in Sep-26** (vs. -28%/high-teens % yoy decline in Aug by NBS/GSe) and **-15% yoy for FY26E per GSe**, based on downstream supply/demand implied from our China float glass industry outlook and proprietary weekly float glass demand model.

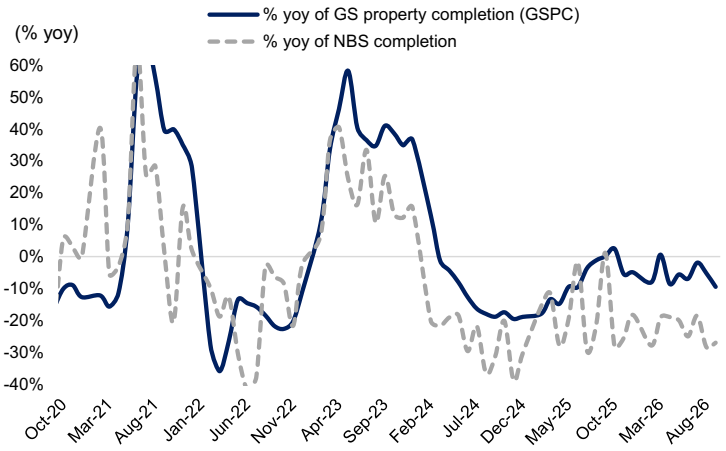
Exhibit 7: GSPC tracker implied monthly completions...
GSPC tracker implied monthly GFA completion - based on GS float glass S-D model



Jan-Feb refers to average level in Jan and Feb.

Source: Sublime China Information, Wind, NBS, Goldman Sachs Global Investment Research

Exhibit 8: ...suggesting completions at a high-twenties % yoy decline for Sep-26
% yoy change of GSPC - based on GS float glass S-D model



Source: Sublime China Information, Wind, NBS, Goldman Sachs Global Investment Research

Valuations: P/B valuation at downturn trough

- Over Sep 28-Oct 8, our covered **stronger SOE developers** saw share prices +5% wow on average, with CMSK (001979.SZ, Neutral) and COLI (0688.HK, Buy) outperforming at +9%/+5% wow; meanwhile, **other developers** saw share prices on average +2% wow.
- Our offshore coverage developers on average saw share prices +2% wow (vs. -1% for MSCI China); our onshore coverage developers averaged +7% wow (vs. -1% for CSI 300).
- Our offshore coverage now trades at an average 38% discount to end-2026E NAV and 0.4X 2026E P/B vs. 2H2008, 2H2011 and 1H2014 troughs of 39%, 0.7X; 73%, 0.9X; 58%, 0.9X.
- Our onshore coverage trades at an average 7% discount to end-2026E NAV and 0.6X 2026E P/B vs. 2H2008, 2H2011 and 1H2014 troughs of 67%, 1.6X; 64%, 1.5X; 61%, 1.2X.

Exhibit 9: Over Sep 28-Oct 8, our covered stronger SOE developers saw share prices +5% wow on average, with CMSK (001979.SZ, Neutral) and COLI (0688.HK, Buy) outperforming at +9%/+5% wow; meanwhile, other developers saw share prices on average +2% wow. Our offshore coverage developers on average saw share prices +2% wow (vs. -1% for MSCI China); our onshore coverage developers averaged +7% wow (vs. -1% for CSI 300).

Company	Ticker	Type	Price as of 10/8/2026	Share price performance Sep 28 - Oct 8	MTD	YTD
Stronger SOE developers			(LCY)			
CMSK	001979.SZ	Central SOE	7.8	9%	3%	-9%
COLI	0688.HK	Central SOE	13.6	5%	3%	11%
CR Land	1109.HK	Central SOE	30.6	4%	0%	13%
Greentown	3900.HK	Mixed ownership	6.4	4%	-2%	-25%
Jinmao	0817.HK	Central SOE	1.3	4%	0%	9%
Poly	600048.SS	Central SOE	5.8	3%	0%	-5%
Average				**5%**	**1%**	**-1%**
Other developers			(LCY)			
Longfor	0960.HK	POE	5.3	-3%	-7%	-38%
Seazen	1030.HK	POE	1.4	-4%	-2%	-30%
Vanke (A)	000002.SZ	Mixed ownership	4.1	9%	-5%	-13%
Vanke (H)	2202.HK	Mixed ownership	2.6	4%	-6%	-20%
Average				**2%**	**-5%**	**-25%**
H-share average				**2%**	**-2%**	**-12%**
MSCI China Index				**-1%**	**-1%**	**-14%**
A-share average				**7%**	**-1%**	**-9%**
CSI 300 Index				**-1%**	**-1%**	**-7%**
Value chain Index						
Construction materials				0%	-1%	7%
Construction companies				1%	-1%	-11%
Building products				3%	0%	-17%
Home appliances				-1%	0%	-9%
Home furnishing				-1%	-2%	-17%

Construction Materials Index (801710.SI), Construction Companies Index (801720.SI), Building Products Index (801713.SI), Decoration Companies Index (801722.SI), Home Appliances Index (801110.SI) and Home Furnishing Index (801142.SI) as compiled by Wind.

Source: Datastream, Wind, Data compiled by Goldman Sachs Global Investment Research

Exhibit 10: China developers' valuation comparisons

Company	Ticker	Mkt Cap (US$ bn)	Daily liquidity (US$ mn) 1 mth trailing	Type	Rating	Price as of 8/Oct/26	12 mth Price target	Potential upside/ downside (%)	Target price disc. to NAV	End-26E NAV	Shr price (disc)/ prem to NAV	FD Core P/E (x) 25	26E	27E	28E	P/B (x) (excl. revaluation gain) 25	26E	27E	28E	Dividend yield (%) 25	26E	27E	28E
Developers																							
Stronger SOE developers																							
CMSK	001979.SZ	10.5	111	Central SOE	Neutral	7.82 (Rmb)	8.70	11	-15%	10.25	(24)	n.m.	64.4	22.6	19.0	0.7	0.7	0.7	0.7	0.7	0.7	2.0	2.4
COLI	0688.HK	18.9	43	Central SOE	Buy	13.55 (HK$)	16.80	24	-10%	18.64	(27)	10.5	10.2	9.8	8.5	0.4	0.4	0.4	0.4	3.6	3.9	4.2	4.8
CR Land	1109.HK	27.8	103	Central SOE	Buy	30.60 (HK$)	38.80	27	-10%	43.16	(29)	8.9	9.9	9.3	8.9	0.9	0.9	0.8	0.8	4.1	3.9	4.3	4.4
Greentown	3900.HK	2.1	9	Mixed ownership	Buy	6.37 (HK$)	9.50	49	-15%	11.12	(43)	3.0	3.5	3.7	3.4	0.4	0.4	0.4	0.4	-	1.0	5.4	8.7
Jinmao	0817.HK	2.3	9	Central SOE	Buy	1.32 (HK$)	1.85	40	-10%	2.06	(36)	33.6	22.3	10.2	6.3	0.6	0.6	0.5	0.5	2.2	2.3	4.2	6.8
Poly	600048.SS	10.3	187	Central SOE	Neutral	5.77 (Rmb)	6.10	6	-10%	6.74	(14)	66.8	n.m.	n.m.	n.m.	0.4	0.4	0.4	0.4	0.6	-	-	-
Average								**26**	**-12%**		**(29)**	**10.5**	**10.2**	**9.8**	**8.5**	**0.6**	**0.6**	**0.5**	**0.5**	**1.9**	**2.0**	**3.3**	**4.5**
Other developers																							
Longfor	0960.HK	4.8	19	POE	Neutral	5.29 (HK$)	7.50	42	-25%	9.94	(47)	n.m.	n.m.	29.4	14.1	0.3	0.3	0.3	0.3	1.5	-	1.1	2.3
Seazen	1030.HK	1.3	4	POE	Sell	1.43 (HK$)	1.55	9	-50%	3.11	(54)	24.2	39.1	17.1	10.5	0.3	0.3	0.3	0.3	-	-	-	-
Vanke (A)	000002.SZ	5.9	255	Mixed ownership	Sell	4.06 (Rmb)	3.20	(21)	-10%	3.50	16	n.m.	n.m.	n.m.	n.m.	0.4	0.6	0.7	0.8	-	-	-	-
Vanke (H)	2202.HK	0.7	17	Mixed ownership	Sell	2.63 (HK$)	2.50	(5)	-35%	3.82	(31)	n.m.	n.m.	n.m.	n.m.	0.2	0.3	0.4	0.5	-	-	-	-
Average								**6**	**-30%**		**(29)**	**n.m.**	**n.m.**	**n.m.**	**n.m.**	**0.3**	**0.4**	**0.4**	**0.5**	**0.4**	**-**	**0.3**	**0.6**
Coverage average								**18**			**(29)**	**24.5**	**24.9**	**14.6**	**10.1**	**0.5**	**0.5**	**0.5**	**0.5**	**1.3**	**1.2**	**2.1**	**2.9**
H-share average								**27**			**(38)**	**16.0**	**17.0**	**13.2**	**8.6**	**0.4**	**0.4**	**0.4**	**0.4**	**1.6**	**1.6**	**2.7**	**3.9**
A-share average								**(1)**			**(7)**	**66.8**	**64.4**	**22.6**	**19.0**	**0.5**	**0.6**	**0.6**	**0.6**	**0.4**	**0.2**	**0.7**	**0.8**

Source: Datastream, Goldman Sachs Global Investment Research